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September 5, 2007

Rep. Bobby L. Rush and Rep. Cliff Stearns
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Representatives Rush and Stearns:

Thank you for your August 22, 2007 request regarding Discount School Supply's "Elite 5-in-1 Easel" recall. I set forth below a response to each request. Please let me know if you have any further questions.

1. In addition to the approximately 2,500 Elite 5-in-1 Easels recalled by the CPSC in March, please provide detailed information on any toys or other products imported by your company with lead paint or lead content that exceeds lawful safety standards.

During independent testing of our product line, we recently identified two additional imported items with lead paint that exceeds lawful safety standards. The first item "Shaving Paint Brushes – Set of 6" was imported from Artmate Co./Jiangsu Animal By-Products from China. The second item "Rolling Storage Rack" was imported from Formosa Bridgeport of Taiwan. We immediately ceased sales of each of these items upon receipt of these test results. We also provided notice to the CPSC regarding these results, and plan to work with the CPSC regarding a recall. In addition, we have received preliminary test results showing excess lead levels in a third item "Giant Measuring Chart" imported from Shiah Ching of Taiwan. We have ceased sales of this item, have notified the CPSC of the preliminary test results, and expect confirmatory test results this week.

2. Please provide information detailing the level of lead in the recalled toys and products, if available.

The level of total lead in the Elite 5-in-1 Easel was 32525 mg/kg. The paint brushes and rack both registered a result of greater than 10000 mg/kg.



3. Please provide the name and location of the company and facility in China that manufactured the Elite 5-in-1 Easels.

This item was purchased from an Australian vendor that had production facilities in China. The Australian vendor has advised us that the easels were produced at three different factories over the course of our purchases. We were only able to test inventory from the third (most recent) factory, which our records indicate shipped from Shekou. Because we were not buying directly from the factory in China, but instead through the Australian company, we do not have the name or address of the Chinese factories. The Australian company's name and address (most recent we have on file) is:

Jolly KidZ Pty Ltd
BK House 54 Christel Ave, Carlingford
2118, Sydney, NSW, Australia

4. Are there provisions in your agreements with the Chinese or other manufacturers banning the use of lead and lead paint or limiting its use to lawful safety standards in the manufacture of the products your company imports?

All of our foreign vendors are sent a vendor import guide, which states that all applicable products must be tested to United States safety standards. Vendors are also advised in the guide that they must produce goods exactly as approved by our company, and not doing so will result in penalties. Finally, the guide also specifies that vendors must notify us of any proposed changes to products so that we may approve and/or retest the changed product as necessary.

5. What steps does your company take to test and inspect imported toys or other children's products before they are sent to retail outlets in the United States to ensure compliance with lead level safety standards?

Beginning in 2005, we began obtaining independent testing of surface coatings of all new items, or variations of those items, that we import for sale in the United States. Additionally, during the past 8 months, we have submitted all pre-2005 items with surface coatings for independent testing. We estimate that testing is complete on approximately 90% of the items, and we expect to complete testing of all of those items by September 21, 2007.

6. How and when did your company discover the lead paint on the imported items that led to the recall announcement by the CPSC on March 7, 2007? When did you first contact the CPSC about the Elite 5-in-1 Easels?

We received a test report of excess lead content in October 2006 and thereafter began an investigation into this result to determine the extent of inventory affected. That test was prompted by a test failure for a new, similar item that we were considering purchasing. We contacted the CPSC on January 30, 2007.

7. Please provide details of the recall action undertaken by your company, including steps to inform retailers and consumers of the recall because of the lead hazard posed by the Elite 5-in-1 Easels. Did you provide information in a language other

than English? Did you take any specific steps to provide information to your retail partners located in underserved communities?

We sell directly to customers through mail-order catalog and website. Therefore, we had a record of every customer who had purchased this item. We mailed a letter to every customer who had purchased the item during the time period that JollyKidz had supplied our inventory. Additionally, we posted the recall notice on the front page of our website (concurrent with the CPSC recall notice on its website). The recall notice remains on our website to date. Information was provided in English.

8. Please provide details on the consumer response to the recall since the recall announcement, including how many Elite 5-in-1 Easels have been returned for a replacement.

As of July 31, 2007, we had logged 726 contacts from customers, some of whom had ordered more than one easel. As of July 31, 813 replacements, gift certificates, or refunds had been issued, in accordance with the terms of our CPSC-approved recall program

Sincerely,

A handwritten signature in black ink, appearing to read "RElliott", with a stylized flourish at the end.

Ron Elliott
CEO - Excelligence Learning Corporation
dba Discount School Supply